

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-489-E - ORDER NO. 2011-864
DECEMBER 28, 2011

IN RE:	Application of South Carolina Electric & Gas)	ORDER APPROVING
	Company for Increases and Adjustments in)	MINOR MODIFICATIONS
	Electric Rate Schedules and Tariffs)	TO WEATHER
)	NORMALIZATION
)	ADJUSTMENT

This matter before the Public Service Commission of South Carolina (“Commission”) concerns South Carolina Electric & Gas Company’s (“SCE&G” or the “Company”) pilot weather normalization adjustment (“WNA”) for residential and commercial customers receiving electric service under rate schedules 1, 6, 8, and 9. On October 21, 2011, SCE&G filed its required comprehensive report showing the aggregate impact and conclusions for the future of the program. According to this report, the Company makes four suggested changes:

1. The current WNA does not properly account for the impact of consecutive days of exceptionally high temperatures. In order to properly account for this occurrence, the Company proposes modifying the methodology it uses to compute the adjustment by changing to a quadratic equation to determine a customer’s estimated usage. The Company had been using a linear equation that did not recognize the saturation point that occurred when air conditioners run continuously without cycling. In addition, SCE&G states it will update the equations each fall using the last four years’ billing experience;

2. Normal weather has been defined as a 15 year average. When the WNA program began, the Company used the 15 year period that ended December 2009. This weather data set was updated in August to include the 15 years ended July 2011. Going forward the Company proposes updating the normal weather data every spring. This update will coincide with the Company's annual forecasting and budgeting cycle;

3. Each premises that is served under a rate schedule subject to the WNA program has been identified as being either more or less sensitive to winter weather. This classification was made through statistical regression analysis of each premises' kWh consumption and weather. If there was a statistically significant correlation between consumption and heating degree days, the premises was classified as more sensitive to weather. The Company states and proposes that it will update this analysis each fall in order to classify each premises appropriately;

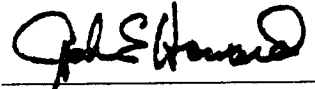
4. Currently 18 WNA groups are spread among four rate schedules, which are subdivided according to weather sensitivity. Going forward the Company proposes expanding to 19 WNA groups. The newly proposed group will contain commercial customers under Rate 9 who are subject to summer demand provisions. The Company also proposes segregating this group and estimating its WNA separately from non-demand customers.

The Office of Regulatory Staff does not object to the changes.

We find these modifications to be reasonable and hold that the changes to the WNA as specified in the October 21, 2011, report are granted.

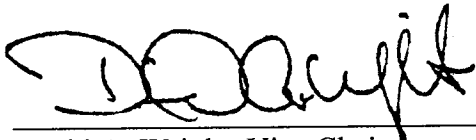
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman
(SEAL)